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TO RUEHC/SECSTATE WASHDC PRIORITY 1261
INFO RUEHKK/EC COLLECTIVE
BT
UNCLAS THE HAGUE 07292

FOR AGRICULTURE PASS ELECTRONICALLY TO FAS

E.O. 12356: N/A

TAGS: EAGR, NL

SUBJECT: LETTER FROM SENATOR LUGAR ON EC CAP REFORM
- PROPOSALS

1. AMBASSADOR RECEIVED LETTER FROM SENATOR LUGAR DATED SEPTEMBER 19 CONCERNING EC COMMISSION PROPOSALS WHICH WOULD RESTRICT U.S. AGRICULTURAL EXPORTS. WE UNDERSTAND THAT THIS LETTER HAS BEEN SENT TO OTHER EC POSTS.

2. WE HAVE SENT THE SENATOR A GENERAL RESPONSE, OUTLINING THE DUTCH POSITION ON THIS ISSUE AND NOTING THE ACTIVITY OF THE EMBASSY IN SUPPORT OF U.S. POLICY AND INTERESTS. WASHINGTON MAY WISH TO CONTACT THE SENATOR TO PROVIDE THE OVERALL ANALYSIS HE REQUESTS.

3. TEXT OF LETTER FOLLOWS:

"AS YOU MAY KNOW, IN ADDITION TO MY ASSIGNMENT AS CHAIRMAN OF THE SENATE SUBCOMMITTEE ON EUROPE, I ALSO SERVE ON THE AGRICULTURE COMMITTEE. IN THE LAST SEVERAL MONTHS, THERE HAS BEEN SPECULATION THAT THE EUROPEAN ECONOMIC COMMUNITY MAY IMPOSE IMPORT RESTRICTIONS ON CORN GLUTEN AND/OR SOYBEANS.

"SUCH ACTION -- FOLLOWING UPON THE RESTRAINED AND ACCOMMODATING ACTIONS OF THE UNITED STATES WITH REGARD TO STEEL, THE SIBERIAN PIPELINE, AND RELATED TRADE MATTERS -- WOULD BE MOST DISTURBING. THE IMPOSITION OF RESTRICTIONS WHERE NONE HAD EXISTED WOULD BE A STEP IN THE WRONG DIRECTION FOR TRADE RELATIONS BETWEEN THE UNITED STATES AND EUROPE.

"I WOULD APPRECIATE YOUR ANALYSIS OF THIS ISSUE AND YOUR ASSESSMENT OF THE CURRENT ATMOSPHERE ON AGRICULTURAL RESTRICTIONS IN THE NETHERLANDS.

"I HOPE YOU WILL ALSO TAKE ADVANTAGE OF OCCASIONS THAT ARISE TO EXPRESS CONCERN ABOUT THESE RUMORS OF TRADE RESTRICTIONS. I BELIEVE IT IS SAFE TO

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SAY THAT NEW RESTRICTIONS ON AGRICULTURAL PRODUCTS
WOULD NOT BE CONSISTENT WITH HARMONIOUS TRADE
RELATIONS WHICH WE ARE ALL SEEKING.

"I WILL OF COURSE SHARE THE RESULTS OF MY ANALYSIS
OF THE SITUATION IN EUROPE WITH SECRETARY SHULTZ
AND SECRETARY BLOCK. IF WARRANTED, I WILL
CONSIDER EXPLORING THIS MATTER FURTHER THROUGH
HEARINGS OR OTHER APPROPRIATE FORUMS. THIS IS
A CRITICALLY IMPORTANT ISSUE AND I APPRECIATE
YOUR HELP IN GAUGING THE SEVERITY OF THE
PROBLEM.

"WITH CONTINUING BEST WISHES, SINCERELY,
RICHARD G. LUGAR, CHAIRMAN, SENATE SUBCOMMITTEE
ON EUROPEAN AFFAIRS." END TEXT. BREMER
END OF MESSAGE UNCLASSIFIED

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